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February 17, 2020

Via Electronic Filing

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Application of AAA Utilities, Inc. for Approval to Sell the Perry Water
System to Saluda County Water and Sewer Authority
Docket Number: 2019-373-W

Dear Ms. Boyd:

I represent Saluda County Water and Sewer Authority (SCWSA) in the above referenced matter.

I am not sending this letter to repeat the Overview of Company's Request or the ORS Recommendation set forth in the letter of Jeffrey M. Nelson, Chief Legal Officer, South Carolina Office of Regulatory Staff (ORS), dated February 12, 2020. SCWSA agrees with ORS that the improvement in water quality outweighs any near-term rate impact to customers from the sale of the Perry Water System to SCWSA.

Instead, I am sending this letter on behalf of SCWSA requesting an approval by the Public Service Commission of South Carolina (the "Commission") of the sale of the Perry Water System to SCWSA at the earliest available opportunity. The United States Department of Agriculture, Rural Development, (RD) has issued a letter of conditions dated September 27, 2018 to SCWSA to provide funding in the amount of \$15,045,000 for the Holley Ferry/Spann Road Water Improvements Phase II project (the "Project"). The Project must be completed and all funds disbursed within 5 years of the obligation (September 27, 2018). Approximately one year and five months have already expired. For SCWSA to advertise for construction bids, it must certify that 1,419 residential users, 227 non-residential users, and 1 wholesale user are currently using the system or signed up to use the system. The Perry Water System customers

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are to be included in the 1,419 residential users. The Project consists of 30 miles of water lines and 1,650 water meters. SCWSA will have interim financing that will be paid off by RD at Project completion. SCWSA is anxious to start the Project as soon as possible in order to complete it within the five-year time limit, and to minimize changes in construction cost and interim financing interest rates. SCWSA receives phone calls almost daily from customers that have signed up who want to know when their water quality will improve. SCWSA would appreciate any consideration the Commission can give to approving the sale of the Perry Water System to SCWSA at the earliest available opportunity.

If the Commission has any questions, please let me know.

With kindest regards, I remain

Respectfully,

DRISCOLL SHEEDY, P.A.


James W. Sheedy

cc: All Parties of Record (via e-mail)
Joseph Melchers, Esquire (via e-mail)
Jason Fell, P.E., MBA, Manager, SCWSA